5180363/2021/OP SEC-TRB01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

T,R & B Dept. – Extending conditional Government Guarantee to raise Loan for an amount of Rs.2,000 Crores from Bank of Baroda duly escrowing 50% of the amount receivable by APRDC out of Re.1/- per Litre Cess imposed on Petrol and Diesel for the purpose of renewal of Priority State High Ways and Major District Road stretches in the State of Andhra Pradesh – Orders – Issued.

TRANSPORT, ROADS AND BUILDINGS (ROADS-IV) DEPARTMENT

G.O.Ms.No.59 Dated:11.11.2021

Read the following:

1. Andhra Pradesh Value Added Tax (Second Amendment) Act No.40 of 2020 published in A.P. Gazette No.40, Dated.29.12.2020.
2. G.O.Rt.No.120, Finance (FMU-TR&B) Department, Dated.25.01.2021.
3. G.O.Rt.No.72, T,R&B (R.IV) Department, Dated.11.03.2021.
4. G.O.Rt.No.76, T,R&B (R.IV) Department, Dated.18.3.2021.
5. From the CE (R&B),SH & MD, APRDC, A.P., Vijayawada, Lr. No. MD/APRDC/GM/DCE/AMCA/2021 Dated.23-09-2021.

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ORDER:

In the reference 1st and 2nd read above, the Andhra Pradesh Value Added Tax Act was amended to levy and collect from every dealer, a cess by name "Road Development Cess" of Re.1/- (One rupee only) per litre on Petrol and High Speed Diesel at the point of first sale in the State. The proceeds of the Road Development Cess shall first be credited to the consolidated fund of the State and shall under appropriation duly made by law in this behalf be transferred to the P.D. Account of Andhra Pradesh Road Development Corporation.

2. In the G.O. 3rd read above, Government have accorded administrative sanction for renewal works with an amount of Rs.2,205 Crores for improvement of Riding surface of State Highways & Major District Roads in R&B Department.

3. In the G.O. 4th read above, Government have accorded permission to the Managing Director, APRDC to escrow (50%) of the amount receivable by APRDC out of the Re.1/- per litre cess imposed upon Petrol and diesel and to raise loans for an amount of Rs.2,000 Crores for purpose of renewal of the Priority State Highways and Major District Road Stretches.

4. In the reference 5th read above, the Chief Engineer (R&B), SH & MD, APRDC, has stated that in pursuance of the Government orders, Bank of Baroda sanctioned loan for an amount of Rs.2,000 Crores and communicated the sanction letter Dated.21.09.2021 stipulating the terms and conditions to be complied with. The Chief Engineer (R&B), SH & MD, APRDC has further requested the Government to approve the rate of interest and terms and conditions of the loan agreement.

(a) to approve the rate of interest @7.35% per annum and terms and conditions of the loan agreement.
(b) to permit and authorize the MD, APRDC to execute the loan agreement.
(c) to permit MD, APRDC to open and operate escrow account with Bank of Baroda.
(d) to escrow 100% of road development cess of Re.1/- on petrol and diesel instead of 50%.
(e) to issue necessary instructions to deposit entire cess collection in the escrow account, on day to day basis.
(f) to issue GO stating that the said road development cess assigned to APRDC will not be withdrawn/rolled back/cancelled during the currency of the loan.
(g) to issue conditional guarantee, in the form of Tripartite agreement between Bank of Baroda, Corporation and State Government of AP.

(PTO)

5. Government after careful examination of the matter, hereby

(a) approve rate of interest @7.35% per annum and terms & conditions of loan agreement.

(b) Permit and authorise Managing Director, A.P. Road Development Corporation to open and operate escrow account with Bank of Baroda and also to execute the loan agreement.

(c) permit to deposit entire cess collection in the said escrow account from which A.P.R.D.C. can withdraw the balance amount after maintaining minimum deposit of 3 months DSRA and one monthly instalment of Principal and Interest payable to the said loan.

(d) extend the conditional Government Guarantee to APRDC in the form of tripartite agreement between the Bank of Baroda, APRDC and Government of Andhra Pradesh for the purpose of raising term loan for an amount of Rs.2,000 Crores and the above Government Guarantee come into force only in the event of:

(i) Roll back of "Road Development Cess" without allotment of corresponding revenue stream to APRDC for servicing Rs.2,000 Crores loan availed from Bank of Baroda.

(ii) Any shortfall in road cess collection i.e., if road cess collected is not sufficient to serve the loan repayment obligations.

(iii) DSRA provided by APRDC to Bank of Baroda is not restored within 45 days after utilization.

6. The Chief Engineer (R&B) SH & MD, APRDC, A.P., Vijayawada shall take necessary action accordingly.

7. This order issues with the concurrence of the Finance (C&DM) Department vide their U.O. No. BUGTOBL/33/2020, Dated.10.11.2021.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M T KRISHNA BABU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Engineer (R&B) SH & MD, APRDC, A.P., Vijayawada.
The Engineer-in-Chief (R&B) MDR, A.P., Vijayawada.
The Branch Manager, Bank of Baroda, Benz Circle Branch, Vijayawada.
The Finance (C&DM) Department. A.P. Secretariat, Velagapudi.

Copy to:

The Finance (FMU.T,R&B) Department. A.P. Secretariat.
The Director of Treasuries & Accounts, A.P., Vijayawada.
The Director of Works & Accounts, A.P., Vijayawada.
The Pay and Accounts Officer, Vijayawada.
The P.S. to Hon'ble Minister (R&B).
The P.S. to Prl. Secretary to Govt., T, R&B Department.
Sf/Sc.

// FORWARDED :: BY ORDER //

V.V.P.

SECTION OFFICER